

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	CASE NO.
OF NEBO WATER DISTRICT)	2004-00514

O R D E R

On December 20, 2004, Nebo Water District ("Nebo") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Nebo purchases water from the city of Madisonville ("Madisonville").
2. Madisonville notified Nebo that, effective January 1, 2005, its rate for wholesale water service to Nebo would increase from \$1.82 per 1,000 gallons to \$2.19 per 1,000 gallons. Nebo proposes to increase the water rates to its customers effective January 1, 2005.
3. On December 3, 2004, Madisonville notified the Commission that, effective for service rendered on and after January 2, 2005, its wholesale water service rate to Nebo would increase from \$1.82 to \$2.19 per 1,000 gallons. Pursuant to KRS 278.180 and 278.190, this proposed rate became effective on January 2, 2005.
4. During the 12 months ending November 30, 2004, Nebo purchased 143,245,000 gallons of water from Madisonville and sold 127,393,000 gallons. The increase in the cost of purchased water is \$53,001, resulting in a purchased water adjustment of \$0.42 per 1,000 gallons.

5. The purchased water adjustment of \$0.42 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.42 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after January 2, 2005.

2. Within 20 days of the date of this Order, Nebo shall file with the Commission a signed, revised tariff sheet showing the rates approved herein.

Done at Frankfort, Kentucky, this 19th day of January, 2005.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00514 DATED JANUARY 19, 2005

The following rates and charges are prescribed for the customers in the area served by Nebo Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	2,000 gallons	\$12.40	Minimum Bill
Next	2,000 gallons	5.70	per 1,000 gallons
Next	6,000 gallons	4.70	per 1,000 gallons
Next	10,000 gallons	4.20	per 1,000 gallons
Over	20,000 gallons	3.70	per 1,000 gallons

Minimum Bills

5/8 Inch X 3/4 Inch	\$12.40	First	2,000 gallons
1 Inch	23.80	First	4,000 gallons
1-1/2 Inch	52.00	First	10,000 gallons
2 Inch	94.00	First	20,000 gallons
3 Inch	131.00	First	30,000 gallons
4 Inch	205.00	First	50,000 gallons